

63-4969

8 JUN 1963

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Contingency Fund for Fiscal Year 1964

1. This memorandum contains a recommendation for your approval. Such recommendation is contained in paragraph 4.

2. We have talked previously about the desirability of setting aside a contingency fund which will be available to fund new programs or aspects of programs which develop during the course of the fiscal year. Subject to your approval, I propose to establish such a fund in the amount of approximately [redacted] in

25X1

[redacted]

25X1

3. Attached is a memorandum prepared by the Budget Division which outlines a procedure for establishing this fund. In brief what we propose to do is to identify a number of projects or activities in the budget which will be deferred and only undertaken upon express approval of the DDCI. (A very tentative list of such items is attached for illustrative purposes.) This procedure will allow us to review and evaluate all new projects against the list of deferred projects before authorization by the DDCI to undertake either a deferred project or to initiate a new one.

4. If this procedure meets with your approval, we will prepare and submit the items for inclusion in the proposed list.

25X1

[redacted]

(EXECUTIVE REGISTRY FILE

Compt)

JOHN A. BROSS
Comptroller

ER

The recommendation contained in paragraph 4. is approved.

[(Signed)] Marshall S. Carter

Deputy Director of Central Intelligence

12 JUN 1981

Date

Distribution:

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- c. That ALPS seek to negotiate a lease arrangement with IBM (effective in FY 65); and, initiate the procurement of a special purpose stereo mark sensor at a cost of \$100,000 (effective in FY 64).

25X1


Chairman
CIA Automatic Data Processing Committee

Attachment - Tab A

cc: Executive Director ✓
DD/S
DD/I
ADP Ctee Members
Chief, FDD

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DB/563-2789

COMPARATIVE EVALUATION OF THE IBM AND ITEK

PROPOSALS ON THE ALP (AUTOMATIC

LANGUAGE PROCESSING)

SYSTEM

27 July 1963

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This paper represents an evaluation of the two STENO-MT proposals submitted by IBM and ITEK:

	<u>IBM</u>	<u>ITEK</u>
<u>COST</u>	<p>Total fixed price is: \$820,000-- which includes cost of Flexowriters.</p> <p>On 12-month lease arrangement, cost would be \$16,000 per month plus initial cost of Flexowriters and steno mark sensor unit (\$150,000). Approx. 70% of rental is available toward later purchase.</p>	<p>Total fixed price is: \$670,000.</p> <p>Lease for 12 months @ \$56,000 per month, but almost entire amount is available toward purchase option.</p>
<u>HARDWARE</u>	<p>Special purpose logical processor and photostore but general purpose 1401 for I/O</p> <p>Increased photostore capacity and 80,000 characters core.</p>	<p>All special purpose equipment. Improvements not specifically defined.</p>
<u>MAINTENANCE</u>	<p>Customer engineers supplied.</p> <p>Routine FSD maintenance.</p>	<p>No mention of customer engineers. Maintenance on yearly contract.</p>
<u>RESEARCH INTENT</u>	<p>Building own equipment regardless of Agency contract. Extensive research work with AF and others.</p>	<p>Same</p>

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